

*Memorandum* : UNITED STATES GOVERNMENT

TO : Chief, Scientific Branch

FROM : Chief, [redacted] Office

SUBJECT: Case [redacted] - Contract with Dr. [redacted]

1. Attached are the original and three copies of subject contract forwarded to us with Headquarters memorandum of 6 January 1957. The contract was changed to 30 June 1957 as per telecon of 16 January 1957. Dr. [redacted] initiated the change and signed all four counterparts today, and they were witnessed and also initiated by [redacted] of this office.

2. When we approached Dr. [redacted] on the contract, his reactions were approximately the same as the objections we raised in TM [redacted] 2100, principally because all purchase orders for experimental animals, etc., are drawn by [redacted] which also covers transportation and other expenses incidental to visits to the [redacted] State Penitentiary. To the best of our knowledge, Dr. [redacted] is a full time employee of [redacted] and has no other office or laboratory than at the [redacted] with all of his assistants [redacted] employees also. After some discussion, it was finally decided that Dr. [redacted] would report the \$300.00 on his 1957 income tax return simply as a donation from the U.S. Government for research purposes, and he will in turn make a personal donation of it to [redacted] (without disclosing the source), thereby incurring no tax liability.

3. This raises a problem if the purchase orders, transportation and other expenses are all to be borne by [redacted] inasmuch as the project cannot be completed without all funds available, and the contract as written stipulates that \$500.00 of the \$500.00 are payable upon satisfactory completion and submission of the report. In spite of this, and to save time, Dr. [redacted] went on and signed the contract, figuring that this could be ironed out while the experiments are in progress. Therefore, when the attached contract is completed, please have it modified so that \$200.00 can be paid forthwith in order to get the project under way, and the remaining \$300.00 after the project is under way but before the \$200.00 are expended in expenses.

4. Paragraph two of the contract was changed because the only property he is involved are the adult [redacted] and [redacted] and [redacted] probably does not want to have [redacted]

5. Dr. [redacted] has a form of release which sets his own value, etc., and which has in all probability been approved by attorneys for the [redacted] and [redacted] for the literature involved, in [redacted] and I have with him the [redacted] and [redacted] and [redacted] in the [redacted] Research Bureau.

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1. [REDACTED]

21 January 1957

2. For [REDACTED] information, the [REDACTED] that [REDACTED] would be readily available from any good drug store, through the large hospital, and certainly from [REDACTED] & Co., Inc., Rahway, New Jersey.

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[REDACTED]

Acta Agents

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[REDACTED]